

HCS HB 886 -- HIGHER EDUCATION RETIREMENT PLAN

SPONSOR: Black

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Pensions by a vote of 11 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 14 to 0.

This bill provides that the retirement plan for employees of certain higher education institutions shall contribute 5.5% of payroll to the plan. Currently, the rate is 1% of payroll less than the normal cost contribution rate established for employees of institutions other than outside employees, who shall contribute 2% of pay.

This bill is effective July 1, 2018.

This bill is similar to SB 62 (2017), SB 1090, and SS SCS SB 980 (2016).

PROPONENTS: Supporters say that this bill is needed to protect the funding for the retirement system. With the creation of the MSEP 2011 plan this has caused the funding rates to drop annually in the CURP defined contribution plan for certain colleges. This bill will also allow teachers to voluntarily invest an additional 2% of their pay into the retirement plan.

Testifying for the bill were Representative Black; Missouri Western State University; Paul Wagner, Council on Higher Education in Missouri; Teachers Insurance and Annuity Association; and Christine Gierer, Kansas City Public School Retirement System.

OPPONENTS: There was no opposition voiced to the committee.